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SUBJECT: BRAZIL: INTERNATIONAL CONFERENCE ON BIOFUELS, NOVEMBER
17-21, 2008, SAO PAULO

¶1. SUMMARY. The Government of Brazil (GOB) is hosting an International Conference on Biofuels from November 17 through 21 in Sao Paulo. Brazilian President Lula will speak twice at the conference; and President Bush has been invited to participate. Post and the GOB hope to have the U.S. represented as strongly as possible, including high level Department of Commerce, Department of Energy, and Congressional participation. The conference is an attempt by Brazil to redirect the policy debate on biofuels to a focus more compatible with the types of cooperative efforts we have undertaken bilaterally. END SUMMARY.

¶2. The Government of Brazil (GOB) will put on an International Conference on Biofuels from November 17 through 21 in Sao Paulo. The Ministry of External Relations' (MRE) Director of the Energy Department, Andre do Lago, has been briefing representatives from the various embassies about this conference.

¶3. According to do Lago, the GOB has invited all members of the United Nations to send a high-level delegation to this conference, which is a presidential initiative. The conference will be split into a technical portion for the first three days (November 17-19) followed by a two-day ministerial meeting (November 20-21). Brazilian President Luiz Ignacio Lula da Silva is scheduled to speak twice, at the end of the technical portion on November 19 and the conclusion of the ministerial session on November 21.

PARTICIPANTS

¶4. These are still early days for finalizing the participants, though do Lago suggests that there may be over 1,000 and some officials talk of over 2,000 participants. Do Lago said that they already have confirmation of ministers from 24 countries coming and that he expected representatives from up to 100 countries. Post has learned that the Australian Prime Minister and the Philippines President currently plan to attend. European participation may be low; Germany, for instance, does not plan to send a minister. At the briefing, do Lago noted the article in the newspaper saying that President Bush was planning on attending. (NOTE: Subsequent press reports on a telephone conversation between Presidents Bush and Lula have indicated that President Bush may have to decline the invitation due to the current financial crisis. END NOTE.)

¶5. Invited U.S. speakers for the first three days are: Daniel Yergin (pending confirmation) as moderator for the biofuels and energy security discussion; Amartya Sen, Nobel Prize winner, as moderator for the session on market development; and Professor Steve

Chu, Nobel Prize winning Stanford Professor as a panelist on biofuels and international innovation.

TOPICS AND STRUCTURE

¶6. There will be five topics on the program at both the technical level and the ministerial portion: (1) biofuels and energy security; (2) biofuels and climate change; (3) sustainability; (4) research and development; and (5) biofuels and international market (trade rules, environmental aspects, etc.). The technical portions will involve panels with a Brazilian moderator and an international rapporteur. The reports from the technical sessions will form the basis of discussion for the high-level government sessions. The first three days will be open to the public. The high level governmental events which could include up to 140 representatives, depending on delegations participating, with an in room audience of 200, will be broadcast by closed circuit television to the other attendees. The last day, November 21, will feature a speech by President Lula, and if he were to come, a speech by President Bush.

PRIVATE SECTOR, LEGISLATORS AND SIDE EVENTS

¶7. Do Lago said that the GOB wanted the private sector, as well as NGOs and the academic community, present and participating through side events. The Brazilian export promotion agency (APEX) plans to have a trade fair on biofuels at the same time, at a hotel across the street and the Brazilian ethanol trade association UNICA is also planning a private sector meeting during the conference. Also, during the Biofuels Steering Committee Meeting with Under Secretary Reuben Jeffery earlier that same day, the Steering Committee agreed

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to hold a meeting on the margins of the conference, including the private sector advisory committee.

¶8. The Brazilian Senate is inviting legislators from around the world to attend the conference and participate in a side event on the afternoon of November 19. Securing U.S. participation is proving to be problematic. As of October 15, apparently no U.S. legislators had accepted, , according to Thalys Murrieta, Advisor to Brazilian Biofuels Senate Subcommittee Chairman, and the person tasked with coordinating the event. (NOTE: This lack of positive response could be due in part to conflicts with the schedule for Congressional reorganization. END NOTE.) In a separate meeting, Murrieta told Econoff that though the Brazilians have secured participation from German, Swiss, Brazilian, African, and U.K. panelists, they have not yet accepted the UK offer because they are hoping to maintain that spot for a U.S. legislator instead. Many other countries are also registered to have delegations attending the event. Murrieta stresses that without the presence of the United States as the world's largest producer of ethanol and Brazil's major biofuels ally, the event will miss an opportunity to have a significant impact on how legislatures globally address the topic. The legislative organizers, who had been working through the Brazilian Embassy in Washington, have requested U.S. assistance in lining up a participant for this session. (NOTE: Embassy is reaching out to some likely candidates and would appreciate department assistance in securing someone to represent the U.S. in an event which could have long term repercussions for the world ethanol market. END NOTE.)

¶9. Post is also looking for participants who could make a valuable contribution to the discussions in the side events as well, and would welcome Washington input. These events include:

- Meeting presided over by the Economic and Social Development Council-CDES (Nov. 17)
- Luncheon hosted by the MRE for specialists in biofuels from International Organizations (Nov. 18)
- Meeting presided over by the Brazilian Academy of Sciences and the University of Sao Paulo (Nov. 18)
- Luncheon hosted by the Getulio Vargas Foundation (Nov. 19)

WEBSITE AND POINTS OF CONTACT

¶10. The MRE has just set up a website for information on the conference: <http://www.biofuels2008.mre.gov.br> which includes the program.

¶11. COMMENT: Post believes that Brazil taking a leading role on redirecting the policy debate is a positive development, one that we should support and encourage. High level U.S. presence at this event will serve to reinforce the Brazilian effort to shift the international view of biofuels to, according to the conference subtitle, biofuels as a driving force for sustainable development. Given U.S. and Brazilian cooperation on sustainability in international fora recently, as well as MRE's repeated reassurances, it appears that the GOB has decided not to try to differentiate sugar from corn ethanol. Instead they appear to have chosen to stand side by side with the U.S. in countering critics of ethanol and working together to create a global marketplace for ethanol. Brazil is relying on U.S. participation to help bring international attention and lend credibility to the event. Post is hoping we won't miss the opportunity to shape the debate, help create a global marketplace for biofuels, and continue to solidify a deepening bilateral relationship with energy security and geopolitical implications. Post requests high level participation from the Commerce Department and the Energy Department to help ensure that we use this opportunity to define biofuels as a clean energy alternative with great commercial opportunities, as well assistance in securing appropriate Congressional representation.

SOBEL